

# From the Board of Directors

**DRAFT** as of 3/14/01  
U.S. Chairman's Letter



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**Joseph H. Williams**  
*Director, The Williams Companies, Inc.*

Dear Prudential Policyholder:

Your company is on the verge of making a historic change. On December 15, 2000, the Board of Directors unanimously adopted a plan to convert Prudential from a mutual life insurance company to a stock company—one of the largest conversions of its kind. This process is called demutualization. Now the plan requires a vote of approval from our policyholders. We believe the plan is in the company's and our policyholders' best interest. We encourage you to vote YES to approve the plan.

## **Your vote must be received by Prudential by Month XX, 2001.**

For more than a century, Prudential has been known for its financial strength and leadership. We firmly believe that converting to a public company now is a necessary step in continuing that legacy. Here's why:

- Our existing mutual company structure does not reflect the many changes that have transformed the financial services industry.
- This process will create a new holding company structure, that will allow Prudential to compete more effectively in the global market.
- Access to equity capital will make it easier to grow and improve our business.
- Going public will allow eligible policyholders to share in the total value of Prudential through stock ownership or other compensation.

**If Prudential converts to a stock company, eligible policyholders will receive stock or other compensation in exchange for their ownership interests in Prudential. And you will continue to enjoy the same insurance policy or annuity benefits you enjoy today.**

You will receive this compensation because as a Prudential policyholder, you are already an owner of the company. But your ownership rights cannot be sold or transferred, and they expire when your policy ends. Prudential's demutualization plan will convert that ownership into stock, cash or policy credits. Prudential's plan will also assure that your rights under your insurance policies and annuity contracts will not be negatively affected in any way.

Your vote is extremely important. Enclosed you will find reply cards, including a voting card, and materials explaining Prudential's plan to go public. **You should read this information carefully, then reply by mail, phone, Internet or in person by Month XX, 2001.** (Just follow the directions on the back of Card 1.)

On behalf of the Prudential Board of Directors, I thank you for your support of this important initiative.

Arthur F. Ryan  
Chairman of the Board of Directors  
and Chief Executive Officer